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IN THE

Supreme Court of the United States

OCTOBER TERM, 1956

No. 444

TATKO BROTHERS SLATE CO., INC.,
Petitioner,

v.

VERMONT STRUCTURAL SLATE CO., INC.,
Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

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PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

Petitioner, Tatko Brothers Slate Co., Inc., prays that a writ of certiorari issue to review the judgment of the United States Court of Appeals for the Second Circuit entered on May 8, 1956 in the case there entitled "Vermont Structural Slate Co., Inc., Plaintiff-Appellee, v. Tatko Brothers Slate Co., Inc., Defendant-Appellant, Docket 23886."

Opinions Below

The opinion and judgment of the District Court are printed in the certified record and the nine copies of the printed record below filed herewith (R. 91a-96a)* and is

* Record citations will be in the following form:

(R. 2a)—page 2a of the certified record and of the printed record below which have corresponding pagination;

(A. 2a)—page 2a of the Appendix to this petition bound with it.

reported at 134 F. Supp. 4. The opinion and judgment of the Court of Appeals are printed in the Appendix hereto (A. 1a-3a) and reported at 233 F. 2d 9.

Jurisdiction

The judgment of the Court of Appeals was entered on May 8, 1956 (R. 102a). A timely petition for rehearing was denied on June 26, 1956 (R. 111a). The jurisdiction of this Court is invoked under 28 U. S. C. § 1254(1).

The Question Presented

The issue of whether certain unquestioned differences between a patented structure and the prior art were "obvious"* was raised below by motion for summary judgment: Can the motion judge properly resolve the controverted issue upon his personal conclusion that the mere simplicity of the claimed advance establishes its unpatentability and ignore historical facts established by unchallenged affidavits, namely, that there had long been a materials-handling problem in the slate industry, widely recognized and unsolved, and that the patented structure, solving the problem by virtue of its differences from the prior art, had been immediately adopted by that industry?

Statutes Involved

Federal Rules of Civil Procedure:

"Rule 56. Summary Judgment

* * *

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* Within the meaning of 35 U. S. C. § 103 reproduced at page 4, *infra*.

"(c) Motion and Proceedings Thereon.

The motion shall be served at least 10 days before the time fixed for the hearing. The adverse party prior to the day of hearing may serve opposing affidavits. The judgment sought shall be rendered forthwith if the pleadings, depositions, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law. * * *."

The Patent Act of 1952 (Title 35, United States Code):

"§ 101. Inventions Patentable

"Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

"§ 102. Conditions for patentability; novelty and loss of right to patent.

"A person shall be entitled to a patent unless—

"(a) The invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent, or

"(b) The invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States, or

"(c) he has abandoned the invention, or

"(d) the invention was first patented or caused to be patented by the applicant or his legal representatives or assigns in a foreign country prior to the date of the application for patent in this country or an application filed

more than twelve months before the filing of the application in the United States, or

"(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or

"(f) he did not himself invent the subject matter sought to be patented, or

"(g) before the applicant's invention thereof the invention was made in this country by another who had not abandoned, suppressed, or concealed it. In determining priority of invention there shall be considered not only the respective dates of conception and reduction to practice of the invention, but also the reasonable diligence of one who was first to conceive and last to reduce to practice, from a time prior to conception by the other.

"§ 103. Conditions for patentability; non-obvious subject matter.

"A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made."

Statement of the Case

Sometime before March, 1954 a Mr. John Tatko devised an improved pallet for the mechanical handling and storage of slate slabs. On March 3, 1954 he filed Application Serial No. 413,941 for a patent therefor. On November

9, 1954, petitioner, as the inventor's assignee, was granted Patent No. 2,693,926 here in controversy (R. 35a-37a).

A pallet is a platform, of wood or other material, designed to permit goods placed thereon to be raised and lowered and transported from place to place and from time to time by a fork lift truck. A prior art form of pallet and the way in which pallets are handled by such trucks is shown in Figures 1 and 2 of the Cruickshank patent of September 29, 1952 (R. 38a). As shown in Figure 1, the pallets A with their superimposed loads B are handled by means of lifting trucks C having vertically movable lifting fingers (or forks) which are inserted into openings between the upper and lower faces of the sides of the pallets. As shown in Figure 2, such pallets may be made up of common boards of appropriate number and size fastened together by common nails or screws or bolts.

The Tatko pallet and the way in which its special construction accommodates slate slabs are shown in the Figures of the Tatko patent in suit (R. 35a). As shown in Figure 1, the pallet is adapted to carry slate slabs *on edge* held vertical between slabs inserted into special pockets provided in its upper deck. As shown in Figure 2, the Tatko pallets may, like the prior pallets, be made up of common boards of appropriate number and size fastened together by common nails or screws or bolts.

Those features of the Tatko pallet which distinguish it from the prior art and account for its greater utility in the slate industry are accurately and simply recited in the claims of the patent, for example, in Claim 3 (R. 37a):

> "In a pallet, the combination of a pair of stringers at each opposite end of the pallet and with the stringers of each pair spaced apart transversely forming pockets therebetween and with each of said stringers extending throughout the width of the pallet, boards secured on opposite sides of the stringers

connecting the pairs of stringers together and also the stringers of each pair, said boards at the opposite ends of the pockets closing said ends of the pockets, additional boards at the top of the pallet extending only between the inner stringers of the respective pairs and intermediate the first-mentioned boards, and boards secured to the bottoms of the stringers intermediate the first-mentioned boards substantially closing the bottoms of the pockets."

As soon as use of the Tatko pallet by petitioner became known in the industry, it was in great demand (see Affidavits R. 51a-70a) and was copied by respondent, who, when warned against unlicensed infringement (R. 13a), brought the instant action for declaratory judgment and, after issue was joined, brought a motion for summary judgment (R. 31a) that the Tatko patent was invalid for lack of invention. The motion was supported by prior art patents of the exact sort that had been considered by the Patent Office. Petitioner opposed the motion offering affidavits to show that, in fact, simple as was the realized Tatko innovation, the means and the recognized need for realizing it had long been at hand in the slate industry, but it had never been realized prior to Tatko. Respondent did not challenge these affidavits.

The District Court did not understand the nature of "invention" as a requirement for patentability and granted the motion for summary judgment thereby effectively deciding a pure fact issue adversely to petitioner without trial. The sitting panel of the Court of Appeals affirmed, perpetuating the same error of law and still denying to petitioner its right to a full trial of the same fact issue.

The error of law was in ruling that the presence of "invention" in the creation of an admittedly new and useful thing can be determined as a matter of law by

judicial comparison of the thing invented with the things of the prior art (that is, "analytically"), while instead the law requires that such a determination be made as a matter of fact by weighing the available evidence as to whether the creation of the new thing would have been obvious to the average skilled worker in the actual art involved under the circumstances of that art at the time when it was created (that is, "historically"). The fact issue that was decided without trial is that posed by 35 U. S. C. § 103. In terms of this case, on this issue, petitioner contends (and its affidavits affirm) that the new and useful Tatko pallet, as a realized whole, was not obvious at the time Tatko first devised it to any person having ordinary skill in the slate handling art. Unless the courts below decided this fact issue against petitioner, they had no basis in law to deny petitioner the right to patent conferred on it by Chapter 10 of Title 35, United States Code.

Thus the three judges of the Second Circuit who sat below reached a decision, in conflict with recent decisions of three other judges sitting there [*Lyon* v. *Bausch & Lomb Optical Co.*, 224 F. 2d 530 (2 Cir. 1955), *cert. den.* 350 U. S. 911 (1955)] and of three judges sitting in the District of Columbia [*L-O-F Glass Fibers Company* v. *Watson*, 228 F. 2d 40 (App. D. C. 1955)], which for reasons hereinafter fully set forth, this Court should review and correct.

Reason For Granting the Writ

There is doubt and confusion at both Bench and Bar as to the standard of "invention" applicable in patent cases today. This is an important matter of national consequence upon which this Court should now unequivocally rule.

This Court has not accepted for review any case rising under the Patent Act of 1952.* In fact the last opinions which this Court delivered upon the all important question of patentability were in its much discussed decision of *A. & P. Tea Co.* v. *Supermarket Corp.*, 340 U. S. 147 (1950). It is not surprising that in this long interval of silence, the longest on this point in the post-Civil War history of this Court, divergent views have been expressed in the decisions of the lower Federal Courts** and in legal treatises*** about the requisites for patentability in the United States.

That the complete reenactment and revision of the patent laws of the United States into a systematized Title of the U. S. Code would inevitably give rise to some problems of interpretation is not surprising. This circumstance alone, as exemplified by Judge Frank's footnote 3 to his opinion in the present case (A. 3a), is a sufficient reason for this Court to grant the writ sought.

Petitioner also respectfully suggests that regardless of the effect of the Congressional action in revising and codifying the patent statutes, the last decisions of this Court on the question of patentability have proved to be themselves a source of doctrinal confusion.

We will consider here first the conflicts and confusions concerning the nature of patentability not involving the effect of the 1952 Act and then the further confusions which

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* Title 35 U. S. Code.

** For example, compare the decision of Judge Learned Hand in *Lyon* v. *Bausch & Lomb Optical Co.*, *supra*, with that of Judge Modarelli in *Avery* v. *Ever Ready Label Corp.*, 104 F. Supp. 913 (D. N. J. 1952).

*** For example, see Harris, *Some Aspects of the Underlying Legislative Intents of the Patent Act of 1952*, 23 Geo. Wash. L. Rev. 658 (1955).

that Act has given rise to, all of which taken together constitute an irresistible clamor for definitive action by this Court.

The Pandora's Box of the "Supermarket" Case.

By a *per curiam* decision in November of 1949, this Court apparently gave its stamp of approval to what was then the undoubtedly overwhelming weight of authority*, namely that the question of "invention" in a patent case is a question of fact. *Faulkner* v. *Gibbs*, 338 U. S. 267 (1949). This gave hard-pressed patentees and their counsel what appeared to be a firm and fair basis for hope that Mr. Justice Jackson's foreboding**, expressed a year earlier in his dissent in *Jungersen* v. *Ostby & Barton Co.*, 335 U. S. 560, 572 (1949), had been exaggerated. The apparent unanimity of *Faulkner* v. *Gibbs* and the rule which had there appeared so clear to the whole Court as to require only *per curiam* affirmance was brought into question by the *Supermarket* decision only a year later. In a special concurring opinion, joined in by Mr. Justice Black, Mr. Justice Douglas suggested that not only was the question of invention not a question of fact, but it transcended mere law to become a matter of Constitutional determination. The retreat from the jury "outpost" swept over trial judge and legislature alike right up to the bastion this Court alone controls.

Mr. Justice Jackson's majority opinion is something less than clear in its resolution of this problem. He said that the Court reached its conclusions "on the find-

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* *e. g. Thomson Co.* v. *Ford Motor Co.*, 265 U. S. 445, 446 (1924).

** ". . ., the only patent that is valid is one which this Court has not been able to get its hands on."

ings below" and lower on the same page that the Court sets "aside no finding of fact as to invention", but adds this cryptic qualification, "for none has been made except as to the extension of the counter, which cannot stand as a matter of law" (340 U. S. 153-4). One might interpret this qualification as a statement that the Court of Appeals below had erred in classifying its conclusion about the counter as a finding of fact and that determinations upon such matters should be termed conclusions of law were it not that the rest of the opinion very plainly seems to contemplate that findings of fact as to invention can still exist. It is respectfully submitted that it was the confusion thus engendered which led the District Court here to reach without trial a conclusion which it characterized itself "as to a large extent personal and in that sense arbitrary" (R. 94a). The uncertainty which this confusion has produced is well illustrated by comparing the litigation history of Packwood Patent Re. 23146* with that of Watson Patent 2,479,530.**

The importance of certainty as to whether "invention" is a constitutional, legal, or factual question is emphasized if, as in the present case, a motion for summary judgment has been made limited to the question of invention. The trial court must know whether that issue is one of law or fact in order to know whether it can properly be resolved by summary procedure. If the patentee insists, and makes a plausible showing of supporting circumstances to indicate, that his contribution was not at the time he made it

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* *Packwood* v. *Briggs & Stratton Corp.*, 99 F. Supp. 803 (D. Del. 1951), *rev'd* [for adhering to the "fact" rule] 195 F. 2d 971 (3 Cir. 1952), *cert. den.* 344 U. S. 844 (1952), *reh. den.* 344 U. S. 882 (1952).

** *Watson* v. *Heil*, 96 F. Supp. 61 (D. Md. 1951), *rev'd* [for *not* adhering to the "fact" rule] 192 F. 2d 982 (4 Cir. 1951), [patent held valid after application of "fact" rule] 97 U. S. P. Q. 334 (D. Md. 1952).

obvious to his co-workers, and, if the infringer insists, and makes a showing, that the contribution was an extremely simple one, is the trial court confronted with a fact issue upon which the parties have adduced conflicting evidence, thus requiring a trial, or is it confronted merely with a legal problem upon which the evidence by one side or the other can be dismissed as irrelevant and immaterial? The Court of Appeals for the Fourth Circuit reversed a holding of invalidity because the District Court had refused to consider proferred evidence of non-obviousness in *Watson* v. *Heil, supra.* The Court of Appeals for the Third Circuit overturned a jury verdict and thereby condemned as immaterial such evidence of non-obviousness in *Packwood* v. *Briggs & Stratton Corp., supra.* This conflict can only be resolved by this Court.

Enter the Patent Act of 1952.

During 1952, the Congress completely revised and codified the patent laws of the United States as Title 35 of the United States Code. The patent in this case was applied for, granted, litigated and held invalid under the provisions of this Act which had become effective January 1, 1953. Immediately upon promulgation the Act became the subject of controversy and conflict among the lower Federal courts especially upon the proposition: Did the new Act make any changes in the substantive patent law? The existence of this conflict is another facet of the reason now urged for the granting of the writ sought. The following not exhaustive list of cases is sufficient illustration of its existence: *Lyon* v. *Bausch & Lomb Optical Co., supra; L-O-F Glass Fibers Company* v. *Watson, supra; General Motors Corp.* v. *Estate Stove Co.*, 203 F. 2d 912 (6 Cir. 1953); *Vincent* v. *Suni-Citrus Products Co.*, 215 F. 2d 305, 315-6 (5 Cir. 1954); *Seismograph Service Corp.* v. *Offshore Raydist*, 135 F. Supp. 342, 350-1 (D. La. 1955); *Avery* v. *Ever Ready Label Corp., supra.*

The acuteness of the difficulty with this question has perhaps reached its ultimate in the present case. Judge

Frank, who presided over the Court of Appeals for the Second Circuit at the hearing of the appeal herein and wrote the opinion below, explained in that opinion (A. 3a) that he had serious doubts about the correctness of a ruling on the point by Judge Learned Hand sitting in the same Court about a year before.* Thus apparently it is not necessary to go outside the confines of the Second Circuit Court of Appeals itself to find not only a conflict with respect to the meaning of the Patent Act of 1952, but also a conflict so deep that the outcome of a patent case before it might predictably depend upon the make-up of the particular panel sitting. Surely this situation invites, and fairness to the lower courts compels, this Court to grant the writ here and rule definitively upon the question: Does 35 U. S. C. § 103 restore a historical and factual standard of invention or is it merely a codification of the pre-existing confusion?

CONCLUSION

For the foregoing reasons, this petition for a writ of certiorari should be granted.

Respectfully submitted,

W. Brown Morton, Jr.,
Attorney for Petitioner.

September 22, 1956.

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* *Lyon* v. *Bausch & Lomb Optical Co., supra.*

APPENDIX

Opinion and Judgment

of the

UNITED STATES COURT OF APPEALS

FOR THE SECOND CIRCUIT

No. 313—October Term, 1955.

(Argued April 3, 1956 Decided May 8, 1956.)

Docket No. 23886

VERMONT STRUCTURAL SLATE COMPANY, INC.,
Plaintiff-Appellee,

—v.—

TATKO BROTHERS SLATE COMPANY, INC.,
Defendant-Appellant.

Before:

FRANK, MEDINA and WATERMAN,
Circuit Judges.

Appeal from a summary judgment, of the United States District Court for the Northern District of New York, entered by Judge Foley. Affirmed.

FRANK, *Circuit Judge*:

This is a suit for a declaratory judgment declaring defendant's patent invalid. The judge entered judgment for plaintiff, and defendant appeals. The facts are amply stated in the opinion of Judge Foley, reported in 134 F. Supp. 4. We agree with his conclusion.

Summary judgment represents a most useful legal invention to save time and expense, by the avoidance of a trial, when there exist no material fact-issues. It may well be that, in a patent case, a judge should exercise unusual caution in granting a summary judgment. But there are patent cases where it would be an absurd waste of time and effort to deny such a judgment. This is such a case.[1]

In many a patent suit, there arise issues of fact as to which the testimony of expert witnesses may be important. Then the credibility of those witnesses is crucial, and it would be erroneous, by a summary judgment, to deprive either party of a "live trial" at which the trial court could observe the witnesses' demeanor in evaluating their testimony.[2] There was no such issue here. The prior art and the patent claims are, without expert aid, easily understandable by anyone of the most modest intelligence. Nor did it require expert testimony to make it plain that the differences between the prior art and the patent claims were obvious to persons having ordinary skill in the trade at the time the alleged invention was made.

There was but one material issue of fact here, which defendant in the district court described as the "state of affairs existing in the industry at the time the (alleged) invention and the extent to which it has been adopted with resulting economies." On that issue, the trial judge fully accepted the statements in the affidavits filed by defendant as demonstrating (to quote the judge) "that this new arrangement of boards and stringers brought an advancement in utility, safety and economy in the industry." On that basis, he found as a fact: "It allows a more secure handling of the slate and stone when it is being lifted and

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[1] See, *e.g.*, *Park-In-Theatres* v. *Perkins*, 190 F. 2d 137, 142 (C. A. 9); 6 Moore, Federal Practice (2d ed. 1953) Section 56.17 (44).

[2] *Bridgeport Brass Company* v. *Bostwick Laboratories*, 181 F. 2d 315 (C. A. 2).

transported. It may be that less labor is needed in such efforts and the vertical filing permits stocking of the slabs as to color on the pallets which is desirable to purchasers. All these endorsements are set forth in the answering affidavits * * * and I accept them fully as to the usefulness of the Tatko pallet * * * This attribute of utility is further advanced by the adoption of a most similar pallet by plaintiff * * *" It follows that the credibility of witnesses on this issue of fact was not involved. The judge therefore correctly rejected the contention made by defendant in the court below that, on this issue, the judge "should await the presentation of testimony." If the question of patentable invention were a "close one," the facts here thus taken as true might tip "the scales of judgment" in defendant's favor; but where "invention is plainly lacking," such a fact "cannot fill the void." *Jungersen* v. *Ostby & Barton Co.*, 335 U. S. 560, 567. We agree with the judge that here the question of invention was not at all close. The patent disclosed no more ingenuity than that of a man skilled in the art.

Plaintiff argues that the recent amendment to the patent statute, 35 U. S. C. Section 103, lowered the standard of invention, citing *Lyon* v. *Bausch & Lomb Optical Co.*, 224 F. 2d 530, 535-536 (C. A. 2).[3] Even so, the plaintiff's patent, we think, is clearly sub-standard.[4]

Affirmed.

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[3] The writer of this opinion has serious doubts about the correctness of that ruling. See the following to the effect that the amendment merely codified the existing decisions: *Stanley Works* v. *Rockwell Mfg. Co.*, 203 F. 2d 846 (C. A. 3); *General Motors Corp.* v. *Estate Stove Co.*, 203 F. 2d 912 (C. A. 6); *Interstate Rubber Products Corp.* v. *Radiator Specialty Co.*, 214 F. 2d 546 (C. A. 4); *Wasserman* v. *Burgess & Blacher Co.*, 217 F. 2d 402 (C. A. 1).

[4] *See Gentzel and Foster Engineering Co.* v. *Manning, Maxwell & Moore, Inc.*, F. 2d (C. A. 2, March 1, 1956).